

REFUND OF UNEARNED HEALTH INSURANCE**PREMIUMS AND MEDICARE SUPPLEMENT****INSURANCE PREMIUMS**

2009 GENERAL SESSION

STATE OF UTAH

LONG TITLE**General Description:**

This bill amends provisions of the Insurance Code relating to the refund of unearned health insurance premiums and Medicare supplement insurance premiums.

Highlighted Provisions:

This bill:

- ▶ defines the term "unearned amount of the collected premium";
- ▶ provides that, if a health insurance policy or a Medicare supplement policy is cancelled for a reason other than a material misrepresentation, the insurer shall refund the unearned amount of the collected premium;
- ▶ provides that, if an insurer cancels a health insurance policy or a Medicare supplement policy because of a material misrepresentation on the application, the insurer shall refund all premiums collected minus claims that have been paid; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

31A-21-315, as last amended by Laws of Utah 1992, Chapter 230

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **31A-21-315** is amended to read:

31A-21-315. Refund of canceled health insurance premiums and Medicare

32 **supplement insurance premiums.**

33 (1) As used in this section "unearned amount of the collected premium" means the
34 amount of the collected premium applicable to the unexpired portion of the time period to
35 which the policy or certificate relates.

36 ~~[(1)]~~ (2) If [an insurer cancels] a health insurance policy or a Medicare supplement
37 policy is cancelled for a reason other than a material misrepresentation, the insurer shall refund
38 the unearned [portion] amount of the collected premium.

39 ~~[(2)]~~ (3) If an insurer cancels a health insurance policy or a Medicare supplement
40 policy because of a material misrepresentation on the application, the insurer shall refund all
41 premiums collected minus claims that have been paid.